



January 29, 1983

Mr. Howard C. Lincoln
Senior Vice-President
Nintendo of America
P.O. Box 957
Redmond, Washington 98052

Dear Howard:

Recently, we were advised by attorneys for Universal City Studios, Inc. of the current litigation between that Company and Nintendo concerning the name "Donkey Kong". While not in position to judge the merits of Universal's claims, the mere existence of this litigation is disturbing for Super Shirts, Inc for two reasons.

First, due to the nature of our clientele, Super Shirts cannot afford to be associated with products with respect to which there is any questions about our right to manufacture and distribute. The good will we have developed with our customers is too important to jeopardize by dealing in such products.

Second, we are extremely disturbed that we were not informed of the pending litigation before our licensing agreement became effective and we began marketing "Donkey Kong" products in July. Obviously, had we been aware of the situation we would not have gone forward with the licensing arrangement.

Accordingly, I must advise you that Super Shirts considers its Non-Exclusive License Agreement with Nintendo of America, Inc. dated April 27, 1982 to be null and void and that Super Shirts will no longer be manufacturing or distributing products under the agreement. We do, however, expect Nintendo to defend and indemnify Super Shirts against any liability it may incur as a result of its prior sales under the agreement.

I am sure you can understand our position.

Sincerely,

SUPER SHIRTS INC.

John C. Bates
John C. Bates,
General Manager

JCB:mkp

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